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NEWS RELEASE

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that Darren Louis Stanford, age 32, of Richmond, Virginia, pled guilty today to one count of committing health care fraud and one count of possession with intent to distribute powder cocaine. Stanford faces a maximum sentence of ten years' imprisonment, a \$250,000 fine, and full restitution for the health care charge, and a maximum sentence of 20 years' imprisonment and a \$1 million fine for the drug charge when he is sentenced by United States District Court Judge Henry E. Hudson on October 28, 2005. The defendant was immediately remanded to the custody of the United States Marshals Service.

Stanford admitted that from January 1, 2002, through January 1, 2005, he, as president, owner, and operator of Upscale Healthcare Services, a provider of personal and respite care aides, submitted and caused to be submitted approximately \$2.5 million in fraudulent claims to the Virginia Medicaid program. Despite being warned by Medicaid officials about previous billing violations, Stanford submitted numerous claims for services actually provided by family members, services not actually provided, services provided by unqualified, unlicensed, or prohibited personnel, services provided without verification, and services provided by fictitious employees of Upscale Healthcare.

On January 11, 2005, in connection with the health care investigation, federal agents executed a search warrant at Stanford's residence. During the search they recovered over 480 grams of powder cocaine, a quantity of marijuana, packaging materials, a firearm, and more than \$9,400 in United States currency.

Mr. McNulty stated: "This case represents one of the two largest Medicaid fraud overpayments in the history of the Commonwealth. This case is the rare combination of fraud and drugs which makes the defendant's actions especially egregious."

Also announcing the plea are Donald W. Thompson, Special Agent-In-Charge, Federal Bureau of Investigation (FBI), Richmond Resident Office; and Virginia Attorney General Judith Jagdmann.

The case was investigated by agents of the FBI and the Virginia Attorney General's Medicaid Fraud Control Unit, and is being prosecuted by Assistant United States Attorney Brian L. Whisler, and Tracey Stith, Special Assistant United States Attorney and Assistant Attorney General of the Virginia Attorney General's Office.

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